Congress of the United States

Washington, DC 20515

March 13, 2023

The Honorable Jodey Arrington, Chairman Committee on the Budget U.S. House of Representatives 204 Cannon House Office Building Washington, DC 20515 The Honorable Brendan Boyle, Ranking Member Committee on the Budget U.S. House of Representatives 507 Cannon House Office Building Washington, DC 20515

Dear Chairman Arrington and Ranking Member Brendan Boyle,

In accordance with Section 301(d) of the Congressional Budget Act of 1974 and clause 4(f) of Rule X of the Rules of the House of Representatives, we are writing to offer additional views and estimates regarding the Fiscal Year (FY) 2024 budget as it relates to the Supplemental Nutrition Assistance Program (SNAP).

We are happy to see that the President's FY2024 budget request, released last Thursday, helps to better align our nation's Federal nutrition programs with the National Strategy on Hunger, Nutrition, and Health. Making progress towards the goal of ensuring that all Americans have access to healthy, affordable food and eliminating barriers to food assistance for vulnerable groups are key priorities for each of us and we look forward to working with the Administration on these issues as the Committee works to draft the 2023 Farm Bill.

In 2023, SNAP recipients, like all Americans, will likely continue to face economic pressure from inflation and the increased cost of food associated with the ongoing impacts of COVID-19, the war in Ukraine, and the avian bird flu outbreak in the U.S. These factors, in addition to the 2021 Thrifty Food Plan reevaluation mandated by the bipartisan 2018 Farm Bill, have led to increased outlays in the program. However, the Congressional Budget Office (CBO) estimates that program spending will decrease by \$6 billion from FY2023 to FY2024 as Federal Public Health Emergency measures sunset, inflation subsides, and participation decreases, contributing to an improved fiscal outlook.¹

In FY2024 and beyond, SNAP spending is expected to remain flat over the remainder of the decade as enrollment continues to decline and Americans recover from the lingering impacts of these major world events.² As a result, SNAP spending as a share of gross domestic product (GDP) is expected to decline over the next decade from 0.5 percent of GDP to 0.3 percent³ and from 1.4 percent of federal spending in Fiscal Year 2019 to less than 1 percent, a historic low.⁴ These projections reflect that SNAP, like many farm bill programs, is countercyclical. SNAP spending increases when economic conditions necessitate further support for families, and it declines as the economy improves. Indeed, this feature helps make SNAP one of our most powerful anti-poverty tools.

Over the next decade, SNAP spending will continue to support a robust national economy by returning \$1.50 for each additional dollar spent in a recovering economy,⁵ and by generating hundreds of thousands of jobs in grocery, transportation, manufacturing, and other industries.⁶ Further, SNAP's outsized economic impact in rural communities will help to ensure that economic recovery does not leave these communities behind; SNAP spending is shown to increase

¹ Congressional Budget Office, "Baseline Projections: Supplemental Nutrition Assistance Program," February 2023.

² Ibid.

³ Dottie Rosenbaum, "Setting the Record Straight About SNAP Spending and the Upcoming Farm Bill," Center on Budget and Policy Priorities.

⁴ Peter G. Peterson Foundation, "What is SNAP? An Overview of the Largest Federal Anti-Hunger Program."

⁵ Canning, Stacy, "The Supplemental Nutrition Assistance Program (SNAP) and the Economy: New Estimates of the SNAP Multiplier," USDA Economic Research Service.

⁶ National Grocers Association, "The National Grocers Association Economic Impact Study."

rural economic output annually by 1.25 percent and rural employment by 1.18 percent⁷ and to have a stronger impact on poverty in rural counties than non-rural counties.⁸

It is also important to note that SNAP's favorable economic effects extend far beyond its immediate impact. Food insecurity can have serious long-term impacts on individuals' health and well-being, leading to higher incidence of chronic diseases and increased healthcare costs, while participation in SNAP is linked to improved current and long-term health, increased access to preventative healthcare, and reduced healthcare costs. Studies have found that adults participating in SNAP are more positive in assessing their health status, miss fewer days of work, have more preventative checkups but fewer doctors' office visits overall, and have lower likelihood of psychological distress. Children receiving SNAP have better health outcomes than their counterparts not receiving benefits – including reduced likelihood of obesity, high blood pressure, heart disease and diabetes in adulthood.

SNAP is a work support program. The vast majority of SNAP participants who can work, do work. ¹³ In fact, in 89% of SNAP households with children and at least one non-disabled adult, at least one member of the household worked in the year prior to or after receiving SNAP. ¹⁴ Further, research has established that receiving SNAP benefits as a child has been linked to long-term improved economic outcomes in adulthood. ¹⁵

SNAP and its Employment & Training program also work hand-in-hand to improve employment and earnings outcomes for program participants, further contributing to its far-reaching economic effects. SNAP is structured to incentivize work by phasing out benefits gradually – every dollar in earnings warrants only 24 to 36 cents in benefit reduction ¹⁶ – and by providing a 20 percent deduction for earned income when determining eligibility. SNAP also includes stringent work requirements, including a strict 3-month time limit on benefits for non-elderly adults without children that are unable to find work. Rather than promoting work, this time limit has been shown repeatedly, through independent studies, to have little effect on employment and earnings. ¹⁷ These policies do, however, create a steep cliff for childless adult beneficiaries – many of whom are veterans, chronically homeless individuals, and people struggling with underlying mental and physical health problems – causing them to lose the modest benefits they need to afford food.

The built-in features of SNAP – including means-testing that makes it responsive during economic downturns, public-private partnership that supports the broader farm and food economy, positive impacts on recipients' health, and incentives for work and earned income – make it an incredibly powerful economic stabilizer, both for the larger economy and for individual households, and one of our nation's most cost-effective anti-poverty programs. Additional investments in the program serve to further increase the reach of these favorable impacts. As mentioned, in 2021, USDA reevaluated the Thrifty Food Plan based on current food prices, food composition data, consumption patterns, and dietary guidance, as required by our Committee in the bipartisan 2018 Farm Bill. This was the first reevaluation to take place in 15 years and, at the behest of Congress, the first in 40 years not to be held cost neutral. As a result, SNAP benefit levels were updated in October 2021 to better reflect the cost of an adequately nutritious diet for low-income households. In the fourth quarter of

⁷ USDA Economic Research Service, "SNAP spending contributed to rural economic output and jobs following the Great Recession"

⁸ Schanzenbach, "SNAP Supports Rural Families," American Enterprise Institute.

⁹ Gregory, Coleman-Jensen, "Food Insecurity, Chronic Disease, and Health Among Working-Age Adults."; U.S. Department of Health and Human Services, "Social Determinants of Health Literature Summaries: Food Insecurity," *Healthy People 2030*.

Arteaga, Hodges, Heflin, "Giving Kids a Boost: The Positive Relationship Between Frequency of SNAP Participation and Infant's Preventative Health Care Utilization," SSM-Population Health 15, 2021.

¹¹ Hoynes, Whitmore Schanzenbach, Almond, "Long-Run Impacts of Childhood Access to the Safety Net," *American Economic Review*, 106(4): 903-934, April 2016.; Christian A. Gregory, Partha Deb, "Does SNAP improve your health?," *Food Policy* 50, 2015

¹² Hoynes, Schanzenbach, and Almond, "Long-Run Impacts of Childhood Access to the Safety Net."

¹³ Keith-Jennings, Chaudhry, "Most Working-Age SNAP Participants Work, But Often in Unstable Jobs," Center on Budget Policy and Priorities.

¹⁴ Center on Budget and Policy Priorities, "Policy Basics: The Supplemental Nutrition Assistance Program."

¹⁵ Hoynes, Bailey, Rossin-Slater, Walker, "Is the Social Safety Net a Long-Term Investment? Large-Scale Evidence from the Food Stamps Program."

¹⁶ Wolkomir, Cai, "The Supplemental Nutrition Assistance Program Includes Earnings Incentives," Center on Budget and Policy Priorities.

¹⁷ Gray, Leive, Prager, Pukelis, Zaki, "Employed in a SNAP? The Impact of Work Requirements on Program Participation and Labor Supply," *American Economic Journal: Economic Policy* 15 (2023).; Feng, "The Effects of Changing SNAP Work Requirement on the Health and Employment Outcomes of Able-Bodied Adults without Dependents," *Journal of the American Nutrition Association* 41 (2022).; Urban Institute, "The Impact of SNAP Able-Bodied Adults Without Dependents (ABAWD) Time Limit Reinstatement in Nine States."

2021, the reevaluation kept nearly 2.3 million people out of poverty¹⁸ and amplified SNAP's impacts as an economic stabilizer for American families and the broader U.S. economy.

In its Budget Views and Estimates letter, the House Agriculture Committee, on a bipartisan basis, has made clear the importance of SNAP. As Democratic Members of the House Agriculture Committee, we remain unified in opposition to any cuts to SNAP or the nutrition title and to any further restrictions on beneficiaries. We agree that additional resources are necessary to further improve our already strong anti-hunger safety net. A robust nutrition title is key to enacting a bipartisan Farm Bill this year. We appreciate your consideration of the immense positive impact SNAP has on the lives of millions of Americans as well as its beneficial impact on the national economy and our nation's long-term financial sustainability.

Sincerely,

Jahana Hayes

Member of Congress

Ranking Member, Subcommittee on Nutrition, Foreign Agriculture, and Horticulture

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¹⁸ Wheaton, Kwon, "Effect of the Reevaluated Thrifty Food Plan and Emergency Allotments on Supplemental Nutrition Assistance Program Benefits and Poverty."

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